

Top Myths about Criteria for Philanthropy at Its Best - Busted!

In the weeks following the release of our latest contribution to the sector, NCRP has identified several recurring pieces of misinformation and mischaracterization of the intent and contents of *Criteria for Philanthropy at Its Best*.

NCRP wants to take this opportunity to address some of the falsehoods being spread about *Criteria* and encourage donors, trustees, staff, their nonprofit partners, and everyone interested to read the full report. Below is a lowdown on what's true and what's not about *Criteria*.

Myth #1: Criteria is a call for mandated legislation of philanthropy.

- Foundations are among the country's most loosely regulated institutions. *Criteria*, however, is "not a call for regulatory action," said Aaron Dorfman in the [Preface](#)

. It is a tool to informing meaningful self-regulation for foundations and other institutional grantmakers. Our goal is for the leaders of our nation's grantmaking institutions to have serious discussions about important issues affecting philanthropy.

- Each year, grantmakers meet with members of Congress during Foundations on the Hill, sponsored by the Council of Foundations and the Forum of Regional Associations of Grantmakers. One of the objectives of this annual event is to "advocate on issues affecting foundations." *Criteria* is an alternative resource for lawmakers who wish to know more about current practices when considering issues related to philanthropy from the perspective of an independent, non-grantmaking organization.

Myth #2: Criteria forces foundations to ignore donor intent.

- NCRP specifically acknowledges the importance of respecting donor intent. It is entirely possible in most cases to respect donor intent and also strive to practice philanthropy in ways consistent with the criteria.

- In challenging foundations to devote 50 percent of grant dollars for the benefit of underserved populations, NCRP notes in *Criteria* that "certain foundations have missions

that make it implausible for them to prioritize marginalized communities at the 50 percent level." For these situations, NCRP suggests a lower threshold of 20 percent for these funders, a level of giving met by just over half of our sample, regardless of mission. For more on this, see [Chapter 1: Values](#)

- A foundation whose donor wanted to support the arts might find benefit, for example, from directing some of its funding to groups such as low-income people or the disabled so that they are more able to participate in arts programming. For example, [Michael Eisner's family foundation](#) recently provided a major arts gift that would 'count' under the values criterion because it is intended benefit predominantly lower-income non-white students.

- We can't "force" donors to do anything. The criteria are, however, a challenge to today's foundation leaders to consider how bold and creative grantmaking might maximize the social benefit of their philanthropy, the ultimate measure of the civic sector.

Myth #3: The Criteria impose a "one-size-fits-all" set of metrics on philanthropy.

- In *Criteria*, we specifically acknowledged that flexibility is important. "Ultimately, it's up to the leadership of each institution to decide how it's going to operate and whether or not it makes sense to meet or exceed the benchmarks for each criterion," wrote Aaron Dorfman in the [Preface](#)

- *Criteria* reflects and builds on NCRP's organizational history, mission and values - values shared by a growing nucleus of [supporters](#) in the sector, including different types of foundations.

- As Aaron said in his [speech](#) during the unveiling of *Criteria*, each criterion, benchmark and metric are designed to be flexible tools to help grantmakers rethink strategically their approach to charitable giving to remain relevant and be part of the solution to the pressing problems our society is facing today.

- Philanthropic giving is dwarfed by government spending; the criteria are an important contribution for strategic philanthropy that maximizes its community-wide impact, the bottom line for the civic sector's effectiveness. For more on this, see [Chapter 2: Effectiveness](#).

- The criteria will not stifle innovation in philanthropy-they challenge foundations to think beyond their normal practices precisely to amplify creativity in solving the problems our sector faces. As Gara LaMarche, president and CEO of The Atlantic Philanthropies and member of NCRP's board, said in his [speech](#) during the unveiling of *Criteria*, "What [Criteria] does, in my view, very usefully, is engage in a debate that's been going on in philanthropy for the last several years-that is a debate about philanthropic impact and effectiveness. And that debate, in my view, has for the most part been somewhat sterile and technocratic. ... What it needs to do

is have more content, which connects the question of effectiveness to the change you are trying to make in the world. I think [Criteria] makes an enormous contribution to that. ..."

Myth #4: Criteria pushes for "racial quotas" in philanthropy.

- *Criteria* doesn't call for "racial quotas"[1] in philanthropy - giving that benefits any disadvantaged group is exemplary grantmaking that advances justice and equality for all.
- *Criteria* goes well beyond base measures of race and gender diversity to include the economically disadvantaged; women and girls; people with HIV/AIDS; people with disabilities; aging, elderly and senior citizens; immigrants and refugees; crime/abuse victims; offenders and ex-offenders; and LGBTQ citizens. See the [Data Appendix](#) for more about how the data is collected.
- NCRP believes that by prioritizing those with the least wealth, opportunity and power, the impact of philanthropic dollars will extend beyond these communities and into the entire society.

Myth #5: NCRP decides what "counts" towards meeting a specific criterion.

- Each individual foundation, not NCRP, decides what "counts." The chapters conclude with discussion questions as a tool for foundations to use in assessing what part of their grantmaking meets a particular benchmark.
- NCRP used Foundation Center data, which is based on information provided by foundations themselves, to identify those grantmakers that meet a specific metric. We used a custom dataset that included detailed information on more than 1,200 of the largest foundations in the country, and their grants of \$10,000 or more for 2004, 2005 and 2006. A full description of the methodology can be found in the [Data Appendix](#).
- We encourage grantmakers to work with the Foundation Center to better code their grants so that they do receive credit for exemplary philanthropic practice.
- Exclusion from a list of "field leaders" doesn't imply that a foundation isn't practicing exemplary philanthropy. As we note in the [Data Appendix](#), "There likely are many more foundations that meet the benchmarks established by NCRP based on our data analysis but are not included in our sample. This is because those institutions either do not provide detailed data to the Foundation Center or might not have done so consistently in the timeframe from which the NCRP sample was drawn."
- The "field leader" lists are described as illustrative and not exhaustive. They demonstrate that the metrics we established are reasonable and achievable.

Related Articles:

- [Philanthropy's Real Enemies? You Decide!](#)

Judge for yourself. [View](#) the full Criteria, individual chapters or executive summary.

Questions or comments? We'd love to hear from you! Tell us what you think by joining the discussions on [our blog](#) , sending a note to paib@ncrp.org , or giving us a call at (202) 387-9177.

[1] The term "racial quotas" was first used to describe Criteria in a Wall Street Journal commentary by Naomi Schaefer Riley (3 March 2009).